

Residential to Farm & Ranch Glossary Handout

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Glossary Handout for Texas Residential Agents

Class purpose: This handout gives residential agents a practical, plain-English reference for common farm and ranch words, phrases, and issues that may appear in Texas rural property transactions.

Important reminder: This handout is for education and training only. It is not legal, tax, lending, survey, environmental, or title advice. Agents should involve their broker, legal counsel, title professionals, tax professionals, inspectors, lenders, surveyors, and other subject-matter experts when appropriate.

The Big Reminder

Farm and ranch is not just residential with more acreage. Rural transactions may involve land use, water, minerals, access, surveys, tax valuation, leases, livestock, improvements, equipment, and specialty due diligence that do not normally appear in a standard residential resale.

Contract, Legal Description, and Due Diligence Terms

Farm and Ranch Contract

A TREC contract form designed for many rural property transactions involving farm and ranch issues that may not be fully addressed in other contract forms. Watch note: Do not choose a form by habit. Ask your broker when you are unsure which form fits the transaction.

Metes and Bounds

A legal description that identifies property boundaries using distances, directions, and survey markers instead of a subdivision lot and block. Watch note: Many rural properties are described this way, so the survey and legal description matter.

Legal Description

The official description of the property being sold. It tells the parties exactly what land is included. Watch note: Do not rely on casual descriptions like “from the fence to the creek.”

Acreage

The amount of land included with the property. Watch note: Advertised acreage may not match surveyed acreage. Confirm through the survey, title work, and contract.

Due Diligence

The buyer's investigation period and process for verifying property condition, title, access, water, septic, survey, taxes, minerals, leases, and intended use. Watch note: Rural due diligence is broader than a normal home inspection.

Intended Use

What the buyer plans to do with the property, such as residential living, horses, cattle, hunting, recreation, farming, building, investing, or future development. Watch note: The intended use should drive the questions, inspections, and contract guidance.

Title Commitment

A title company document that shows the conditions under which the title company is willing to issue title insurance. Watch note: Rural title work may reveal easements, mineral reservations, restrictions, leases, or access concerns.

Title Exceptions

Items listed in the title commitment that may limit or affect ownership rights. Watch note: Buyers should review exceptions carefully with the title company and legal counsel when appropriate.

Survey

A professional drawing and report showing boundaries, improvements, easements, encroachments, and other land features. Watch note: In farm and ranch, the survey is often one of the most important documents in the transaction.

Boundary Line

The actual legal edge of the property. Watch note: Fences, tree lines, roads, and creeks may not match the true boundary.

Fence Line

The location of a fence on the property. Watch note: Fences are not surveys. A fence may be built for convenience or livestock control, not necessarily on the legal boundary.

Encroachment

When a structure, fence, road, utility, or improvement crosses onto land where it may not legally belong. Watch note: Encroachments can create disputes and should be reviewed through the survey and title process.

Possession

When the buyer is entitled to take control of the property after closing. Watch note: Possession can be complicated by tenants, livestock, crops, hunting leases, grazing leases, or seller access needs.

Access, Roads, and Easements

Legal Access

A legally enforceable right to enter and leave the property. Watch note: A visible road or driveway does not automatically mean legal access exists.

Physical Access

The practical ability to drive or walk onto the property. Watch note: Physical access is not the same as legal access. Confirm through title, survey, and recorded documents.

Easement

A legal right for someone to use another person's land for a specific purpose, such as access, utilities, pipelines, drainage, or roads. Watch note: Easements can affect use, privacy, value, and development potential.

Access Easement

An easement that allows entry to and from a property. Watch note: Confirm whether the easement is recorded, wide enough, usable for the buyer's intended purpose, and shown on the survey.

Utility Easement

An easement allowing utility lines or infrastructure across the property. Watch note: Utility easements may limit building locations or future improvements.

Private Road

A road not maintained by a public entity. Watch note: Ask who maintains it, who pays for repairs, whether there is a written road maintenance agreement, and whether lenders or insurers have concerns.

Road Maintenance Agreement

An agreement describing who is responsible for maintaining and paying for a shared or private road. Watch note: Verbal understandings are risky. Written agreements are easier to evaluate and enforce.

Locked Gate Access

Access controlled by a gate, lock, code, or key. Watch note: Confirm who has keys or codes, whether neighbors or leaseholders have access rights, and what transfers at closing.

Minerals, Surface Rights, and Energy Issues

Mineral Rights

Rights associated with minerals beneath the surface of the land. In Texas, mineral ownership and surface ownership can be separated. Watch note: Do not guess or casually explain mineral rights. Get broker, title, attorney, or landman guidance.

Surface Rights

Rights related to using the surface of the land. Watch note: Surface rights may be affected by mineral ownership, mineral leases, easements, and surface-use agreements.

Mineral Reservation

When a seller keeps some or all mineral rights instead of conveying them to the buyer. Watch note: Make sure mineral reservations are clearly addressed and reviewed.

Mineral Conveyance

When mineral rights are transferred to the buyer. Watch note: Sellers may not own all minerals, so confirm ownership through title work and appropriate experts.

Oil and Gas Lease

An agreement giving another party rights to explore, drill, produce, or operate related to oil and gas. Watch note: Existing leases may affect value, surface use, income, access, and future development.

Surface-Use Agreement

An agreement addressing how mineral or energy operations may use the surface of the land. Watch note: This can matter greatly to buyers concerned about roads, pads, pipelines, noise, gates, and disruption.

Pipeline Easement

An easement allowing pipelines across the property. Watch note: Pipelines may affect building sites, fencing, excavation, safety, and resale.

Wind or Solar Agreement

An agreement allowing energy development, equipment, access, or income related to wind or solar projects. Watch note: These agreements can be complex and should be reviewed by appropriate professionals.

Landman

A professional who researches land, mineral ownership, leases, and related records. Watch note: A landman can be helpful when mineral questions are beyond the agent's knowledge.

Water, Wells, Septic, and Utilities

Water Rights

Rights related to the use of water connected to the land. Watch note: Water rules can be complex. Do not assume water rights simply because water is visible on or near the property.

Private Well

A water well serving the property. Watch note: Buyers should investigate production, depth, water quality, equipment, maintenance, and drought concerns.

Shared Well Agreement

An agreement governing a well used by more than one property or user. Watch note: Confirm cost sharing, repairs, access, usage rights, maintenance, and what happens if the well fails.

Well Inspection

An inspection of the well system, often including equipment, performance, and sometimes water quality testing. Watch note: A standard home inspection may not fully evaluate a well.

Gallons Per Minute

A measurement of how much water a well produces. Watch note: Buyers should determine whether production is sufficient for the intended use.

Water Quality Test

Testing to evaluate whether water is safe or suitable for use. Watch note: Water may flow from the faucet and still have quality concerns.

Co-op Water

Water provided through a water supply corporation or cooperative. Watch note: Confirm meter availability, transfer requirements, fees, capacity, and service limitations.

Stock Tank or Pond

A pond or small reservoir often used for livestock, wildlife, or recreation. Watch note: Confirm whether it reliably holds water and whether there are maintenance or runoff issues.

Creek, Spring, or Surface Water

Natural water features on or near the property. Watch note: Do not assume the buyer has unrestricted rights to use water from these features.

On-Site Sewage Facility, OSSF

The formal term often used for a septic system or similar wastewater system. Watch note: Buyers should verify permits, location, capacity, condition, and inspection needs.

Septic System

A wastewater system used when a property is not connected to public sewer. Watch note: Septic repairs can be expensive, and system capacity may matter if the home was expanded.

Utilities

Services such as electricity, water, sewer or septic, propane, gas, internet, and trash service. Watch note: Rural utilities may be limited, expensive to extend, or different than subdivision utilities.

Tax, Agricultural, and Wildlife Valuation Terms

Agricultural Valuation

A special property tax valuation based on qualifying agricultural productivity or use. People often call it an “ag exemption,” but that phrase can be misleading. Watch note: It is generally a valuation method, not a simple tax exemption.

Ag Exemption

A casual phrase many people use for agricultural valuation. Watch note: Be careful with this phrase because it can cause buyers to misunderstand how the tax benefit works.

Wildlife Valuation

A special valuation that may apply when qualifying land is managed for wildlife under applicable requirements. Watch note: Buyers should verify the plan, requirements, and continuation process.

Wildlife Management Plan

A plan showing how land will be managed to qualify for wildlife valuation. Watch note: The buyer should obtain copies and verify requirements with the county appraisal district and tax professionals.

Rollback Taxes

Additional taxes that may be triggered when land under special valuation changes to a non-qualifying use. Watch note: Do not promise a buyer that rollback taxes will not apply. Tell them to verify.

County Appraisal District

The local office responsible for appraising property for tax purposes and administering certain special valuation processes. Watch note: This is a key resource for agricultural and wildlife valuation questions.

Qualifying Agricultural Use

Agricultural activity that may support special valuation if it meets applicable requirements. Watch note: The buyer's intended use may or may not maintain the valuation.

Open-Space Valuation

A Texas property tax valuation concept often connected to qualifying agricultural use. Watch note: Buyers should verify requirements rather than relying on seller statements or prior tax bills.

Leases, Occupancy, and Use Agreements

Grazing Lease

An agreement allowing another party to use land for livestock grazing. Watch note: Confirm whether it is written or verbal, when it expires, and whether it survives closing.

Hunting Lease

An agreement allowing another party to hunt on the property for a season, term, or specific purpose. Watch note: Hunting rights may affect possession, liability, access, and buyer expectations.

Crop Lease

An agreement allowing another party to farm or harvest crops on the property. Watch note: Crop timing and tenant rights may affect possession after closing.

Tenant Occupancy

When someone occupies a home, cabin, mobile home, or other structure on the property. Watch note: Do not assume a tenant will leave at closing without written agreement and proper handling.

Verbal Lease

A lease or use agreement not reduced to writing. Watch note: Verbal arrangements can still create complications. Ask questions and involve proper guidance.

Equipment Agreement

An agreement related to tractors, implements, feeders, water equipment, or other farm and ranch items. Watch note: Clarify ownership, use, and whether anything conveys.

Neighbor Use Agreement

An arrangement allowing a neighbor to use part of the property, road, gate, well, pasture, barn, or access route. Watch note: Long-standing informal arrangements can create surprises for buyers.

Land, Improvements, Personal Property, and Condition Terms

Improvement

A structure or item attached to the land, such as a home, barn, fence, well house, or permanent fixture. Watch note: Clarify what is real property and what may be personal property.

Accessory

An item often considered part of the property under the contract, depending on the form and facts. Watch note: Read the contract carefully and clarify anything important.

Personal Property

Movable property that is not automatically part of the real estate, such as tractors, portable panels, feeders, deer blinds, tools, or furniture. Watch note: If the buyer wants it, put it in writing in the proper way.

Non-Realty Item

Personal property that may be transferred with the sale if properly addressed. Watch note: Do not assume ranch equipment conveys just because it is on-site.

Barn or Outbuilding

A structure used for storage, livestock, equipment, hay, workshops, or other rural uses. Watch note: Inspect condition, utilities, permits when relevant, and whether it is included on the survey.

Livestock

Animals such as cattle, horses, goats, sheep, chickens, or other animals on the property. Watch note: Clarify whether animals stay, leave, or are handled under a separate agreement.

Fencing

Fences used for boundaries, livestock control, privacy, or pasture separation. Watch note: Fence condition, location, and ownership may matter, especially for livestock use.

Cattle Guard

A ground-level barrier that allows vehicles to pass while discouraging livestock from crossing. Watch note: Check condition, location, access rights, and maintenance responsibilities.

Deer Blind or Feeder

Hunting-related personal property or equipment. Watch note: Clarify ownership and whether it stays or goes.

Topography

The shape and elevation of the land, including slopes, hills, low areas, and drainage patterns. Watch note: Topography can affect building sites, flooding, access, views, and usability.

Soil

The type and condition of the ground. Watch note: Soil may affect farming, drainage, septic suitability, foundations, roads, and erosion.

Drainage

How water moves across or off the property. Watch note: Poor drainage may affect roads, building sites, livestock areas, erosion, and future improvements.

Floodplain

An area that may be subject to flooding based on maps and conditions. Watch note: Floodplain can affect insurance, financing, building, and use.

Environmental Concern

A possible issue involving contamination, dumps, tanks, chemicals, old oilfield activity, wetlands, or other environmental risks. Watch note: Rural property may have hidden environmental issues that need expert review.

Conservation Easement

A legal agreement that may restrict development or use to preserve land, habitat, or conservation values. Watch note: These can significantly affect what a buyer can do with the land.

Restrictions

Rules limiting how property may be used. Watch note: Rural property can have deed restrictions, subdivision restrictions, conservation limits, or other recorded restrictions.

Financing, Valuation, and Professional Team Terms

Rural Lender

A lender familiar with acreage, land, farm, ranch, or rural residential property. Watch note: Not every residential lender is comfortable with rural property. Get the lender involved early.

Farm Credit Lender

A lending institution or lender type that commonly works with agricultural, land, and rural property financing. Watch note: These lenders may be useful for properties that do not fit standard residential financing.

Land Loan

Financing used to buy land, often with different terms than a standard home mortgage. Watch note: Down payment, rate, amortization, and underwriting may differ from residential loans.

Appraisal

An opinion of value prepared for lending or other purposes. Watch note: Rural appraisals may be more complex because comparable sales, land features, improvements, and income uses vary.

Market Value

The estimated value of the property in the open market. Watch note: Farm and ranch value may be driven by land, water, access, minerals, recreation, or development potential, not just the house.

Broker Guidance

Involvement by the sponsoring broker to help the agent stay within competence and manage risk. Watch note: Especially important on the agent's first few farm and ranch transactions.

Co-Broker or Partner Agent

An experienced agent who works with the residential agent on a transaction. Watch note: Partnering can protect the client, reduce risk, and help the agent learn.

Referral

Sending the client to a more experienced farm and ranch professional, often with a referral fee agreement. Watch note: Sometimes the best way to serve the client is to refer the transaction.

Real Estate Attorney

A lawyer who can advise on legal documents, rights, contracts, title issues, leases, minerals, access, and disputes. Watch note: Agents should not give legal advice.

Surveyor

A professional who determines boundaries and prepares surveys. Watch note: A surveyor can help resolve boundary, acreage, easement, and improvement location questions.

Well Inspector

A professional who evaluates a water well system. Watch note: Use specialized inspection when water source is material to the buyer's intended use.

Septic Inspector

A professional who evaluates an on-site sewage facility. Watch note: Septic condition and capacity matter, especially on rural properties.

Tax Professional

A CPA, tax advisor, or other professional who can advise about tax consequences. Watch note: Agents should not give tax advice on rollback taxes or special valuations.

Simple Agent Safety Lines

Use these phrases to stay professional and reduce risk:

- “Farm and ranch has issues that are different from standard residential, so I want to make sure we get the right guidance.”
 - “I do not want to guess on that. Let’s verify it with the appropriate professional.”
 - “The fence may not be the boundary. We need to rely on the survey and proper review.”
 - “A road does not automatically mean legal access. Let’s verify access through title, survey, and recorded documents.”
 - “Low taxes may depend on special valuation. You need to verify the requirements and rollback tax risk with the county appraisal district and tax professionals.”
 - “Minerals can be complicated in Texas. We need to review title and get proper guidance.”
 - “My job is to help you identify the issue and bring in the right expert, not to guess.”
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First Three Transaction Rule of Thumb

For a residential agent’s first three farm and ranch transactions, the safest professional standard is:

Guided, supervised, mentored, partnered, or referred.

That means the agent should involve the sponsoring broker, an experienced farm and ranch agent, a land specialist, a co-broker, an attorney, title professionals, inspectors, lenders, surveyors, or other appropriate experts based on the issues in the transaction.

Final Takeaway

The agent does not have to become a farm and ranch expert overnight. The agent does need to know enough to recognize risk, ask better questions, avoid guessing, involve the right professionals, and protect the client.

Farm and ranch is not just more acreage. It is a different kind of transaction.